

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
BUDGET WORKSHOP MEETING

Budget Workshop of the Board of School Directors of the Bethlehem Area School District was held on Thursday, March 24, 2011 at 6:02 p.m. in the East Hills Middle School Auditorium, 2005 Chester Road, Bethlehem, PA 18017. BUDGET MEETING

President Cann called the roll:

MEMBERS
PRESENT

Members present: Directors Amato, Burkhardt, Faccinetto, Follweiler, McKeon, Leeson, Ortiz, Tenaglia, President Cann -9

Members absent: None

President Cann offered Courtesy of the Floor to visitors. Speakers are asked to come to the podium, stating their name and address. Public comment in the first session is limited to 30 minutes and is for agenda items only. The second courtesy of the floor will be for any district concerns or business. Speakers are limited to three minutes each. The board requests that, when possible, all individuals supporting a like position on a topic select a speaker to present their views to avoid repetition. If that is not possible, all are welcome to speak. As per school board policy, generally, speakers are limited to taxpayers, residents, or employees of this school district. At the conclusion of the budget workshop, another block of time will be allocated for public comment. At that time, the same rules will apply. It is asked that speakers observe proper decorum, without personal attacks towards a specific individual or individuals. It is not the custom for the board to enter into a dialogue at these meetings about concerns. However, the board does listen with care to issues raised. Speakers will receive responses, in some form, by the administration. COURTESY OF THE FLOOR

The following individuals addressed the Board of School Directors:

1. Lorna Velazquez
210 Tenth Avenue, Bethlehem, PA
SPARK

Ms. Velazquez stated: Good Evening! You already know who I am, my name is Lorna Velazquez, and I am the parent of three daughters in the Bethlehem Area School District. I would like to start by saying thank you for your service to our children, families and community. The part of educating our children is educating our community. Governor Corbett's proposed

budgetary cuts will short change our children's education. School Board members, Cabinet members, and most important community members, I ask that you contact our local politicians to include Governor Corbett and also President Obama and ask them to intervene and save us from the injustice that will follow if Governor Corbett's proposed budget is allowed to pass. We stand to lose funding for SPARK, our family centers, tutoring, after school programs, teachers and so much more. Please distribute the information listed on these papers to all district families and post it on our school district website if possible. If we unite, and share ideas and do what families do best, which is to support each other even when we don't agree, and in times of crisis, and this is nothing short of a crisis; we can overcome and do what is right and what has to be done. With the information we have here, I really want to quick voice that not everyone has access to the internet, not everyone speaks English, not all of our community is able to access this information or the language that is common to some people is not common to everyone, so I think it is important that our community try to get more information and somehow make it more easily accessible. As a community, I hope that we strive and continue to create leaders, one child at a time. It takes a community to raise a child and it is all about the kids. I do work in a family center and it truly hurts me to know that our family centers will not be available for our families and children and the same is for SPARK and all the other services and teachers we need in our classrooms. We are the voice for many of our families and we are the link between teachers and our families and I know that there is only so much you can do and this is not your doing, but I really hope that our community takes a stand and does everything they can to see to it that this proposed budget does not go through as is.

2. Barry Eisenberg
702 Spring Street, Bethlehem, PA

Mr. Eisenberg stated: I have two daughters, one is five and she is just entering kindergarten and the other one is two and I am truly hoping that there is a district around for her to go to. First of all, I have to say thank you for hearing us; you have the toughest jobs in the world. Dr. Roy, you walked into a hornet's nest when you took this job. I run the three offices of a regional brokerage firm, so it my job to understand balance sheets and things of that nature and I understand that you guys have the deck stacked against you, you truly do, and I understand you are trying to do the best that you can. It is kind of hard when you need ten peanuts at the end of the day and you only have seven and you can't get anymore. I totally understand that. I understand that cuts need to be made, they are necessary, and as a political position you can't please everyone and in this case, no matter what you do, people are going to be upset, but the one thing I do know, and I do believe

this in my heart, the children are the future of this city. Everybody knows of the legendary stories of how Bethlehem Steel was the largest company in this country and now it is gone and with that it almost swallowed the city of Bethlehem. These cuts to the family centers, SPARK, teacher jobs, classrooms, it is a catastrophe, and it will mount to the worst catastrophe this city has ever seen. Governor Corbett's budget cuts and his proposed budget, for a lack of a better term, and I am sure I am not just speaking for myself, is complete nonsense. I understand that he has got a good chunk of money set aside for prisons. Let me tell you, by cutting these classrooms, by cutting these programs, by cutting people like Lorna Velazquez, you will most certainly fill those prisons, with kids from here in Bethlehem. We cannot stand for this. I am looking behind me and I see great numbers of people here, there is a tremendous amount of apathy in this community, it is obvious, otherwise this room would not be empty. We need to figure out a way to get together and in one voice, tell Governor Corbett, "no"; it is not going to happen here in Bethlehem. Once again, I understand that the money is not there and the cuts have to be made, but I am certain, one hundred percent certain, that there are ways we can do this without eliminating the family centers, without eliminating teachers, and without eliminating classrooms. Something needs to be done and this is where we draw the line in the sand and say "no", this budget cannot pass. We all need to be heard in one voice and again, just like Mrs. Velazquez said; we need to get in the Governor's ear. We need to ban together and we need to figure out a way to get this done. I know it seems like an impossibility and believe me, my job has been rough enough for the last four years, but I can't imagine the pressure that you guys feel, but again, I am certain there are ways that we can save these teachers, save these classrooms and for the future of our city and our families, save these kids education.

3. Nancy Couto
1975 Kingsley Drive, Bethlehem, PA

Ms. Couto stated: I went through the worst year of my life and if it wasn't for the Family Center, if it wasn't for Calypso, I don't know where me and my kids would be. The thought that Mrs. Velazquez is not going to be there next year, when my daughter goes up to Nitschmann and my son is still there, is crushing. When I had to leave my husband, the teachers took care of my children. They took them to their home, and fed them, and made sure their homework was done and then brought them back to me. The teachers are the ones that took care of my kids for almost a week for me and now with after school programs being cut, when I am unable to pay daycare, I cannot afford it, they have the kids in an after school program helping them get their homework done, so that when I do pick them up at 4:30 that is

one issue that I don't have to deal with and I can think about making dinner and getting them into bed on time to go to school the next day. These are teachers that care. They are not the ones that just leave at 3:30 when their kids are gone. They are the ones that stay there and listen and help and they are the ones I rely on. Everyone has siblings and family, but these guys, they care or they wouldn't be there. The budget cuts and losing the teachers and making the classrooms a lot bigger, the one on one is going to be a lot harder for them to take care of these kids and taking them home when there is an issue at their own home. Please, please as a community we can do it. I know there are more parents out there that will support me and help the teachers to keep their jobs and keep the Family Centers, and SPARK. SPARK was there for my kids before they came into Calypso. We can figure out budget cuts; going to PPL, do fund raisers, and there are other ways, and I know it is a lot of money, but we can do it as a community. Please, let us think of something else besides getting rid of some of the Family Centers, SPARK, and after school programs; those are the things that are saving our kids, my babies, I won't allow it to happen. I want to stay in Bethlehem. I want to stay close to the school. If have to find an apartment that is someplace that will have a school district that will have these programs, I will have to think about it more closely, but I don't want to lose Bethlehem. I have been born and raised in Bethlehem. I went to Clearview. I went to Nitschmann and went to Liberty and graduated in 1992, and I am so proud of being a Liberty graduate that I want my kids to go there and I won't put them anywhere else. If we are going to lose these programs, I don't want to see my children going into that jail that we are going to have the money allocated for and that will happen.

President Cann asked if there was anyone else for Courtesy of the Floor at this time.

Seeing none, they moved to the Presentation of the Budget.

President Cann asked the Board to please hold their questions until the end.

Dr. Roy stated: Thank you everyone for coming out this evening. The district and community along with all Pennsylvania Districts face unprecedented budget challenges this year. The work to produce a balanced budget and doing that work within the confines of ACT 1 parameters, mandated expenses, and difficult state and national economic conditions come together to create this perfect storm. In this year of decreasing revenues, which is our main problem, we are required to look at difficult decisions and painful cuts within the district. Bethlehem has many great partnerships and we will need to strengthen those partnerships as

PRESENTATION OF THE
BUDGET
INFORMATION

we go forward, as we work our way through this difficult budget time and what we hope to do at this evening's presentation is to frame out the problem, hear the realities that we are facing and then it is our job, as the administration, to come forth with recommended expenditure reductions, so that we can move towards a balanced budget. It is not a happy time, it is a painful time, and we hope to layout some of the realities that we face this evening for the board and for the community.

The broad goals for the development of this budget when we started in January was to support our educational direction, the Roadmap to Excellence which does focus on core academic learning, stretch learning to give students opportunities to pursue areas in which they excel, engagement of students in school, through activities, learning leadership, and also in the area of personal skill development. Our Roadmap to Excellence lays out the direction and the budget helps to provide the resources to get there and that is the huge challenge that is facing us now. We also need to keep in mind the multi-year goals of the district, which this district has made excellent progress over the last few years, in particularly in building a fund balance. We need to continue to keep that in mind as well and we also talked a lot internally about sustainable budgeting. Sustainable budgeting means not building long term, on ongoing initiatives or programs with funding that can go away. Sustainable budgeting means building, using sustainable money, ongoing sources of funds, to match ongoing programs and one of our challenges this year is that we, because of the reductions in state revenue, a lot of the grant funding that helped to support programs, has gone away and with the overall decrease in revenues we don't have the revenue to make up for that loss. We will get into more details on that issue and another area that we need to make sure as we budget is that the things that we are mandated to do all through the department of education, school code and through contracts that we have, that we fulfill those obligations and we have been working towards establishing a final budget not to exceed a 1.7 percent tax increase in recognition of the state of the economy and the state of the community. I wanted to provide some context and to frame out the issue and to hopefully demonstrate the magnitude of the challenge. Last year's final budget, the budget for this current year, when we were working on it a year ago included \$5,000,000 in reductions to balance the budget and this year we are on course to making \$13,000,000 in reductions including tonight's \$6,000,000 to \$7,000,000 in recommendations to move ahead. The total expenditures for next year will be less than this year and that is unheard of in school district financing, but that is the challenge we face because of the precipitous decline in revenues. In the months prior to this workshop, we have recommended \$4,300,000 in expenditure reductions that are listed on the slide we are viewing including

personnel reductions, reductions in maintenance, reductions in transportation, and the reduction in support staff. On February 24, our last budget workshop, at the conclusion of that workshop, the budget gap stood at approximately \$6,000,000. What I mean by gap is simply the difference between revenues and expenditures. As the budget is a working document, as we work towards the board's final approval later this spring, the challenge is to close the GAP between revenue and expenditures. On February 24 after our workshop, the revenue and expenditure GAP was at \$6,000,000, and we would have needed to trim approximately \$3,900,000 in additional spending to reach a GAP of \$2,100,000 which could be closed by a 1.7 percent tax increase. On March 8, the Governor presented his budget and though we had planned for reductions in revenue from the state, we didn't think, any district, no district that I know of, and I have been in touch with all the superintendents in this area, expected the depth of the state cuts that came through in that proposed budget. You can see we received significant reductions in a number of areas; some of which we expected. A couple which were particularly surprising to us were the reduction, the zeroing out in the Governor's budget of Charter School reimbursements, which affected us at about \$1,700,000, and that is money we received from the state to help make up for the money that we send out to Charter Schools. Social security reimbursements from the state to the district were also changed. These two items cost us over \$2,000,000 that really no district that I've been in touch with was expecting.

What we thought at the end of February we were dealing with a \$6,000,000 GAP, after the Governor's budget, with the reductions in revenue, our gap grew to \$11,000,000. Prior to the Governor's budget, our goal for tonight's workshop was to reduce to a proposed reduction of an additional \$2,000,000, which we had planned to work our way down over the spring with this board, in proposing reductions and prior to the Governor's budget our task was to reduce \$2,000,000 by tonight. After the Governor's budget, we now need to propose \$6,000,000 to \$7,000,000 in spending reductions to reach the approximately \$4,500,000 GAP that would require a 3.64 percent tax increase. Then, in subsequent budget workshops, we would require at least another \$2,000,000 to \$2,400,000 in cuts to reach a 1.7 percent tax increase. In essence, our challenge went from reducing it \$2,000,000 to reducing \$6,000,000 to \$7,000,000. Last year the reductions in the entire process totaled \$5,000,000. In addition to the immediate issues that we face, there are long-term issues that we need to keep in mind as well. Sadly, this isn't a one-year challenge. This is statewide, it is nationwide, it is not a one year challenge and so when we talk about sustainable budget, we mean that the cuts and the changes we need to make in the structure of our district, in the spending of our district, this year

needs to position us so that we are not in such a dire situation next year. We need to look ahead as well, and we know that there are long-term issues, such as the Governor's proposal to eliminate exceptions under the ACT 1 law, which allows districts to raise taxes above the index. Another challenge would be that the index for Bethlehem is 1.7 percent this year, but has been 3 percent and 4 percent in the past, is expected to be even lower next, closer to 1 percent that we would be permitted to grow our revenues through taxation. Additionally, the retirement system, the PSERS Retirement System for education has funding issues that unless the legislature makes changes will require significantly increased contributions from districts over the next number of years.

To reduce \$6,000,000 to \$7,000,000 is an enormous challenge. I ask you to think in terms of concentric circles. A series of circles with the classroom at the center and then expanding circles going out beyond that. Our goal was to minimize the direct impact on what happens within the classroom with the teacher and students. We focus first on reducing non mandated, non instructional programs, services and personnel, however, a deficit this large and under the current laws require significant program changes and then corresponding reductions in professional personnel. We know that 70 percent or more of the district's budget is personnel costs. Education is a labor-intensive industry and to make reductions of the magnitude that we are facing it requires looking at the personnel. Our goal also in approaching this challenge was to share the sacrifice through all departments in the district. Also remember that we want to put the district in a better position for future years and knowing that in future years may require structural changes in the district to help with personnel costs that might look at reconfiguring grade configurations at elementary schools, and adjusting boundaries and so forth. Our major objective was to achieve these enormous reductions without increasing class sizes in our core classes, in elementary, middle and in the core academics at the high school level. Dr. Silva will pick up the presentation from here.

Dr. Silva stated: Given the context shared by Dr. Roy, he doesn't envy the school board having to make such difficult decisions in such a discouraged educational environment across Pennsylvania and across the whole country. I really do wish you great wisdom and good luck in your decisions. Personally, as an educator, when I came to Bethlehem in November, I was optimistic and hopeful of strengthening educational programs and improving them and taking them to the next level, so that level of discouragement isn't just across the state, it is also within me and as a father of two children, one in middle school and one in high school in the Bethlehem Area School District, certainly I want them to have all the opportunities that other children have had. So, it is in that

vein that I am presenting proposals for expenditure reductions throughout our school district. I want to thank Dr. Roy, my fellow members of the Cabinet, the principals, department leaders and even teachers who gave advice for a lot of the hard work that went into making proposals and running down information. It is a very difficult and emotional time for everyone. We did want to make sure in our proposal that we were clear in the areas that we wanted to shield from significant reductions. We want to make sure we have the notion of a comprehensive school experience for all kids and avoid gutting individual programs just because they are vulnerable. I know from graduating from Liberty High School, the relationships that I had not only with teachers, but also with coaches and with activities directors were very important and areas in the related arts are very important in an appropriate education. We wanted to make sure that we maintained the nature of a comprehensive high school. Luckily in Bethlehem we know what that looks like. In other school districts in the Lehigh Valley there are questions now over what that should look like. We have a pretty good idea from our Roadmap to Excellence what we really want to get after. A key part of that is maintaining class sizes in the core subjects. K – 12 at their current levels. The principals have been working very hard sharpening their pencils over and over to get the high school staff at 28 as they make their scheduling runs and at elementary lower than that. That is one of the areas we really are working hard to protect and at the elementary level some of the areas we would really like to shield are those areas where students are at the most risk in their elementary classrooms. The foundation is poured in first, second, and third grade and some of those areas have had significant reductions already in Reading Recovery, IST, and some reductions in reading specialists in previous years. If we can shield that age child, especially from reductions of those key supports for them, it will have more payoffs later in their grades.

Dr. Roy mentioned the concentric circles working from the outside in and looking at non-mandated, non-classroom expenditures. We still have \$300,000 left in this budget for new bus purchases and it has been removed. We'll need to get another year out of the existing fleet.

We need to reduce athletic transportation; there is an overall 15 percent reduction in the athletic budget within all of these cuts. One of the areas for athletic cuts is in transportation in the amount of \$52,000. Next year Broughal's field will be available so a lot of the transportation costs of moving kids over here to East Hills for practice won't be there next year and those Broughal students will be able to stay closer to home. There are also reductions in transportation because of fewer competitions that you will see later.

We propose to eliminate mid-day Kindergarten bus runs. This is a very difficult non-mandated area. We're mandated to bring the kids to school in the morning and take them home at the end of the day, but at mid-day those bus runs are non-mandated and are \$114,000 and that would be in our proposal reduced. We propose to eliminate Summerbridge transportation. The district has traditionally provided transportation for that summer program and that would be reduced. We propose to consolidate summer bus washing. This would have to be part of the driver's responsibilities.

Mr. Agretto is working very hard to reduce IU costs to the district, and he believes he's found savings in the IU vision support services for the district as well as reducing some student placement costs by being able to bring those students home into our district for their services instead of being in more pricier placements outside of the school. This would be a total of \$110,000 in reductions.

We propose to eliminate the remaining field trips that were funded in the district, which was a small number this year, so it is at \$18,000 that would be removed. Field trips would need to become self-financing.

We propose to host teacher websites in house instead of off on remote servers with using different licenses. Mr. Arbushites would move those all on to our own hosting site.

We propose to reduce athletic uniforms and supply purchases. Again part of the athletic budgets reduction as well as reducing two non-varsity competitions per sport at the high school level, for \$6,000. Play fewer games, have fewer expenses related to transportation, game managers, etc., and eliminate intramurals at elementary level and middle school level and this would be an \$18,000 reduction. Eliminate middle school co-ed soccer, similar to baseball, since there are many community opportunities for soccer and baseball for these age children and although very difficult and very popular, it would be a reduction of \$24,000 in a non-mandated area.

Dr. Roy mentioned many of the reductions that were caused by grants drying up, subsidy drying up, and we used a lot of that for tutoring K-12 last year and that would be removed from the budget from the BEAF and EAP grants, reduction of instructional supplies, reduction in staff development funds, eliminate K-12 summer school from what used to be TIP funds, eliminate summer school transportation, reduce some technology purchases from the Stimulus, they would no longer be in the budget.

Mr. Arbushites has worked to reduce his budget further. He has taken out of the general operating budget, nearly a \$225,000 from technology replacements and enhancements, related adding business lab, changing nurses from laptops to desktops, they will get to live with their laptops another year, forgoing a high school music lab, computer, forgoing some hardware replacement in our secondary buildings, and again these are the things that are helpful for instruction in the classroom, and holding off an upgrade of our Microsoft office suite.

The running total as I am going through the presentation is in blue, in the lower right hand corner, so these non mandate proposed cost reductions although significant are expensive and so far we are up to over \$2,000,000.

As Dr. Roy said, we are a people intensive organization and non-mandated programs also are served by personnel. Our personnel, both non-professional and professional, who are on a recommendation for cost reduction are as follows: 1 assistant supervisor of transportation; 1½ building secretaries; 2 middle school resource officers; 13 of the 16 of the family development specialists; 3 would remain in our schools that have dedicated family centers, Broughal, Donegan and Marvine; 12 high school coaching positions (athletic coaching positions); 2 technology support personnel; 1 technical assistant; These are folks who repair the computers service, make the services, make the upgrades, and assist Mr. Arbushites in running the technology department.

There are professional reductions in non-mandated programs. The recommendation is not replace an athletic director and have one athletic director serving both high schools with stipends given to an assistant athletic director who would have release time and a stipend both at Freedom and at Liberty. We would increase the ratio of counselor to student ratio from where it is now 250 students to every 1 guidance counselor to 300 students to every 1 guidance counselor, which would lead in a reduction of 3.0 counselors. We currently have teachers on assignment who are literacy and math coaches, these are professionals who push in the classrooms, help teachers learn new techniques as far as improving kids reading and writing skills and their math skills and coaching students through higher levels. Those 5 would be removed from the budget, as would 2 technology staff, 1 CFF coach, and 1 technology integration specialist. Those are teachers who push into classrooms and assist the professional staff with using technology. I am not giving costs in reductions for each of the professional staff because I'll put those in aggregate at the end.

Non-mandated were up to \$3,300,000. Those are very difficult

cuts, but they won't yield the amount of expenditure reductions that are needed to get close to balancing a budget.

When you cut more in those areas you are getting into areas of program change where you literally offer a different academic program for the students. The first one for the elementary would be to eliminate full day Kindergarten. Ed Rendell had been a strong, strong, advocate through his entire term as Governor and had dedicated Accountability Block Grants to school districts to finance full day Kindergarten. Those Accountability Block Grants are no longer available. That would mean practicing sustainable budgeting, that half day Kindergarten would be the rule in our district and that would lead to, since we have 12 full day teachers, now those would become 12 half day and a corresponding reduction of 6 teaching positions.

Program changes in the middle level, our middle school philosophy really has two components, teaming and exploration. Teaming has traditionally meant that teachers have a shared group of students, say the same 125 students for the same teachers and together can integrate their assignments. They can share support services for the students, communicate together to parents and that the benefit of that teaming organization is there for students. There are different ways of integration but they are much less significant if you replace the middle school teaming planning period with an instructional period. Instead of what would be teaming, we would be going more towards clustering of students. Dr. George White from Lehigh University, a national expert on middle schools teaming and clustering, has volunteered his services to help us to make the best out of the situation where that teaming period would no longer be there and we would go towards a clustering form of academic integration where some teachers may share the same students but not necessarily everyone. The other part of the middle school concept is exploration where students after leaving elementary school get to taste a little bit of all the different subjects, World Language, a little bit of technology, a little bit of family and consumer science, gym and the program change for middle school does not recommend that we get into those related arts areas, that those students continue to have rich exploration curricula while in middle school and manageable class sizes in their core subjects, which could maybe be clustered in some way. This would lead to a reduction of 18 middle school teaching positions.

At the high school level, we currently have high school graduation requirements set at 26 credits out of a possible 32. A student can take 4 courses in the fall, 4 in the spring, 8 a year, 8 x 4 years, equals 32 possible credits if they were fully scheduled the entire time and that is a good thing. It is one of the great benefits of block scheduling, but scheduling beyond the 26, 27,

28, or 29 credit increases the need for greater offerings in greater faculty. The proposal would be to allow seniors who are in good standing in their credits, to schedule less than eight blocks, not to be fully scheduled and could open space in the schedule, preferably at the beginning of the day, first block, and at the end of the day in fourth block and students then would not be scheduled into a course, schedule study halls if necessary, but then students would be able to be not in the building. They could be involved in other activities such as community service or dual enrollment at the university or whatever, or simply just not come to school, but by holding the line on the number of credits students are accumulating beyond what is required, and putting some enrollment caps on elective courses it would force students into the more popular electives which then could be staffed more efficiently because there is a greater number of students in those courses. Scheduling less than eight blocks for seniors and not having courses that are weakly enrolled run in the schedule unless they have 20 students, and forcing them into their second choices or their third choices would have a corresponding reduction in staffing needs. Also, pending the Pennsylvania Department of Education's permission, since in the related arts areas, particularly physical education, some of the class sizes maybe going up. If we had permission from PDE to allow credit for one PE course for participation in varsity athletics perhaps those students could then come out of those courses and we'd have more manageable numbers in physical education. Either way, I am not going to sugar coat it for you; it is less kids taking more of the advanced courses. We could combine some electives into areas instead of eliminating them, but the ones that just are not attracting enhanced enrollment would need not be offered.

Other reductions, we have a need to reduce, the SPARK principal's position, since that will no longer need a formal principal.

Mrs. Correll has been working sharpening her pencil in the ESL areas as far as where students could be combined in agreeable levels where staff could be shared and sees a 3.0 reduction in ESL.

Special education reduction at the elementary level based upon where the student enrollment of the students in the special education courses seems manageable, and a corresponding reduction of 11.0 in special education teacher assistants. Another reduction of debt service refunding in savings would increase the total reduction so far to almost 4,000,000.

When you add in the total personnel reductions, I haven't been mentioning the cost of each individual teacher at this point because of the bumping and checker boarding that goes along

with it, we take the average of the number of folks who would be without a position, 59.5 professional positions, approximately, \$3,700,00 would be reduced from this proposal. That would be in addition to 50.5 non-professional positions reduced this evening, for a total savings this evening in this PowerPoint presentation of \$7,634,000. Adding that to the 37 professional positions and 20 non-professional positions taken before this evening at other board workshops, the total personnel reduction in the Bethlehem Area School District would be about a 167½ people, approximately eight percent of the work force, and that sounds like what you hear on TV as far as one of those corporate restructurings when GE comes in and has cost cutting measures and reduces its work force. Since we are people intensive that is a very difficult. It will be much more difficult to maintain our gains in student achievement and get new ones with fewer people, but this will lead us to the number that we have been charged as an administration to get closer to reducing that deficit and getting closer to the tax increase at the index. I will turn the discussion back over to Dr. Roy for the results and where we stand now as far as cost reductions.

Dr. Roy stated: A quick summary on the number piece to review. Following the Governor's budget, we had an \$11,000,000 GAP; the cuts this evening represent \$7,600,000 because they are so many personnel related positions. We need to build back in the cost of unemployment benefits and so the total reductions this evening, \$6,500,000 leaving a new budget GAP of \$4,500,000 and it would take a tax increase of 3.64 percent to close the gap. We would need additional spending cuts of approximately \$2,400,000 to reach a 1.7 percent tax increase. There is a variable that some people alluded to in the public comments at the beginning and that is state revenue. The Governor's budget is a proposal, and though I don't know that there is great hope for dramatic changes, it is a proposal that the legislature will work on and needs to approve. So the state revenue could change. If it changes, I think it would change in a positive direction for us. I can't imagine it moving in a negative direction.

A brief stop on when we are considering taxes, the school district and the school board has really, over a period of years, done a good job of controlling milage rates, such that in comparison to other districts in our county our district is at the low end of the milage rates.

Final observations, this evenings cost reduction goals of between \$6,000,000 and \$7,000,00 to keep us on pace to be able to produce a balanced budget in June were met, not without the serious cuts that we discussed, however, class size averages did not increase in core subjects, K-12, and we did not make additional cuts at the elementary level, they have experienced

cuts over the past several years, so we were able to protect for the most part that area. It is a lot of reductions but we were able to preserve again, thinking of the concentric circle with the classroom at the center, the class size numbers in the core academic areas.

Final observations again, that we will adjust spending reductions based upon the direction the board provides us. A challenge this size is going to require all of us to work together to overcome. As we seek the board's approval, the administration will move forward with communicating, planning and executing those reductions that the board approves and agrees to. One of the challenges we face with reductions of this magnitude in personnel is that we want to deal as fairly as possible with those people who will be losing positions, so that we will have time to inform them, educate them about options and help with the transition. In the past when the district made reductions, recently, the vast majority of the time, that was absorbed through attrition, people weren't actually leaving a job, or left without a job, however, in this economy and this budget that wouldn't be the case, people will lose jobs, and so we want to treat them well and we want to have time to deal with that when we get to that point and then finally, should we continue towards the 1.7 percent tax increase as our limit. We would have additional cuts to make of \$2,400,000 beyond this, and we do want to make the observation that it would be hard to make those additional cuts without effecting class sizes, at least at one or two levels within the district.

President Cann stated: Before we move on, I just wanted to recognize the hard work that the administration has done. This was a daunting task and the fact that you were able to get to the point that you have in cost reductions, keeping true to what you said in the beginning of comprehensive school experience which I believe is important to so many people in the community and keeping class sizes the same, sheltering the elementary school from too many cuts, that was a huge task but remember there is several million dollars worth of cuts to go yet. We need to take these cuts seriously as a fact of life at this point. Let me open this up to the board for questions, comments, and concerns.

Director Follweiler stated: I am going to start with just a comment that I too agree with President Cann. I think it has been a lot of work to get here and I know we have a long way to go, and I advocate a zero tax increase which is missing from that summary slide, and I ask if we could add it back in and what that number would be. My comment really is that the big financial elephant that we have coming up is the PSERS and as I understand it, there is really nothing financially the district can do to change that. We really need to have the legislature of the state do some work in that regard or is there anything other than working through the legislatures that this board or this

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community can do to help that because if that doesn't change this is going to be worse every year.

Dr. Roy stated: The PSERS contribution rates are set and told to us so we don't have control of that. It would be through the legislature, however, in the notion of sustainable budgeting, this is one of the hard realities of this process. When we reduce our workforce, we are reducing then the number of people that we have to make PSERS contributions. When we have fewer people in the future that Dr. Silva says is about an 8 percent reduction, then as those PSERS rates go up, they are going up on fewer people. That then gets to that sustainable piece going forward.

Mrs. Gober stated: Dr. Roy captured everything. The only practical solution is to advocate to your legislators that this is something that you feel really needs to be addressed and to have them move forward on it.

Director Leeson stated: On that particular subject, Director Follweiler, I know we had asked for five year projections, and I am wondering if we can get a five year projection so we can see the impact of the PSERS and other issues on our budgets going out, not just this year, but going forward.

Dr. Roy stated: I know that you had mentioned that before, but in doing this we didn't produce the five year projection. There are challenges in talking with some other superintendents about the five year projections because things have changed so much, the baseline has changed but certainly there are things that we have, Healthcare, the PSERS and so forth that we can take out. The world has changed through the financing so the projections are even more difficult.

Director Leeson stated: I am well aware that it would be difficult to do, but I think even to have a baseline, something that we are looking at because Director Follweiler brings up a very good point that as difficult as this year's budget is, we know that next year's budget is going to be just as difficult and so we have to keep that in mind as we are moving through this year.

Director Leeson asked Mrs. Gober what the PSERS bump might mean to us dollar wise.

Mrs. Gober stated: I had prepared that in the past, however, I do not have it here with me tonight, but I can provide that going forward. Certainly again it is dependent upon what does our gross payroll look like at the end of this process because we know that it will not look like it does today, so that is going to be the key indicator of what does it resemble moving forward.

Director Leeson stated: I recall it is several million dollars.

Director Amato stated: I just spent two days out at Hershey at the athletic directors meeting and believe me, what Dr. Roy and Dr. Silva went over now it was being echoed throughout those 2 1/2 days that I was out at Hershey. What school districts are doing to try to balance their budgets, what athletic directors have been asked to do to reduce the costs in the athletic portion of the educational system, from districts that have multiple high schools, is going with one principal and grade principals to oversee both high schools, with some of the districts teachers and administrators taking freezes in their salaries. Where would we be if everyone took a freeze for a year?

Mrs. Gober stated: For our current staffing as it would stand today, it would be approximately \$2,000,000.

Director Amato stated: It was talked in great length out in Hershey, there were the teachers associations coming to the forefront and saying they will take a freeze, the administrators would take a freeze, and if we will do that for a year, is it going to help, not to cut into cutting class sizes and the core of our educational system or to start to add to the number of students that somebody is going to teach, but would that get us to where we need to be if you were looking at another \$2,400,000 in cuts, if this district took a freeze and saved \$2,000,000? We would be there.

Dr. Roy stated: I guess I am hesitating because it depends how many teachers we would have. The \$2,000,000 is on our current staffing and we are proposing a lot of reduction.

Director Amato stated: If it is \$1,700,000, then we only have \$700,000 to look at to get to rather than another \$2,400,000. It is throughout the state, there isn't a district that isn't in the situation that we are in right now here in Bethlehem Area School District. It is from the smallest class A's to the quad A schools. They are all facing these types of cuts into their educational systems. It is unbelievable where we are right now throughout the state of Pennsylvania.

Director Follweiler stated: These are some questions on the actual slides. On page 6, the top slide, one of the things referenced was the special education placement and I am concerned about everything in reduction, but special ed. is a special concern. In there we talked about reduction of special ed. student placement at \$110,000. I am concerned if that is something that we can plan on with assurance or this is something that we need to work with the parents of the different students. Is that number realistic to this budget, is what I am

asking?

Mr. Agretto stated: That particular student that is being presented is a senior and will graduate. So, timeliness of that opportunity to be able to cut that from our budget and I am very cognizant of the services and programs that kids need. It is a very slippery slope, and we cannot deny students services, so I am very cognizant of that and we have had those discussions.

Director Follweiler stated: On the bottom slide it talks about reduction of instructional supplies. What does that exactly mean?

Dr. Silva stated: That was what was financed in those grants when we used those last year for Stimulus, so then coming out means there is that hole, there are some monies that were carried over in the general operating budget for books, supplies, materials, and all that but not nearly as much as there was this year. So a reduction in textbook allocates textbook refreshment, licenses, and all the things that teachers use in the classroom for instruction with kids.

Director Follweiler stated: Obviously everything hurts, but do you feel that this will continue to give the quality education. There is no old textbook that is going to be hanging around with misinformation in it, is there?

Dr. Silva stated: Dr. Barilla did a nice job last year. I thank her publicly right now, for putting a large amount of money into textbooks, in this year's budget, so if you had asked the department chairman, especially at the high school, I am good at spending dedicated funds, and we have been able to make a lot of advancements on our textbook cycles, so that the following year we would be in a lot better shape and can have the smaller number. That was the strategy that we are using to make that number hurt less.

President Cann asked Dr. Silva: Is it not the case that those instructional supplies are related to the programs that are cut because they were grant funded programs?

Dr. Silva stated: Some of them were for tutoring and all the rest, but there were other materials that were general.

Director Leeson stated: As I recall, this was done on purpose, that we use the stimulus funds, particularly I think to develop some of those AP programs and to get AP books, and I think we did additional curriculum textbooks last year because we had the Stimulus funds available, so if I am correct, we still have in the GOB what would be our normal cycle. These were little extras because of the Stimulus funds.

Director Leeson stated: First of all, going back to the special ed. budget since we started on that one, what is the total that we have reduced the special ed. budget to date?

Mr. Agretto stated: We are currently working with our intermediate unit to see if there can be a reduction in not services, but in the cost of those services. We met with them this past Monday, with their administration and their business office, so they are working on crunching some numbers for us to see if there can be a continuation of services as listed in student IEP's, we can't eliminate them, but if we can relook at them with a sharpened pencil we will have to see whether or not we can reduce costs for the same services in a different way being presented, so it is a working number, we are not ready to present a solid number yet. Only what was listed that you see here tonight is where we are recommending those cuts.

Dr. Roy stated: Over \$400,000.

Director Leeson stated: About \$400,000 is our total to date, but you are working on more is what you are saying?

Mr. Agretto stated yes.

Director Ortiz stated: Regarding SPARK, didn't we ask to see how the \$600,000 was spent, and how did we start with this program. I don't see the information here.

Dr. Roy stated: We are looking at the per student expense going back the 15 years, however, I don't have the data in yet from the SPARK office. We are working on it, but we don't have the information yet.

Director Ortiz stated: We are putting it on the chopping block and we don't have that information yet?

Dr. Roy stated: We have the information that about \$630,000 of the SPARK program is paid for by the Pre-K counts grant, which is what we are proposing going ahead with, as many SPARK classrooms as possible using that grant only can be used for Pre-K. The other grant money that funded the SPARK program, the ABG, Accountability Block Grant money, in particular is one of the items that are out of the Governor's budget and so it was that portion of SPARK, which was about \$1,500,000 of the \$2,000,000 to run SPARK that was reduced.

Director Ortiz questioned: We are going to be reducing kindergarten, and we are going to be eliminating pre-

Kindergarten?

Dr. Roy stated: The Accountability Block grant also paid for the 12 all day kindergarten classes that we had.

Director Leeson stated: On this subject, just a clarification that the district is not dropping these programs, these programs have been funded through federal and state grants, and so the district is not adding into a budget that there is no room to put additional programs into, but we are not dropping the programs.

Director Ortiz stated to Director Leeson: This program has been in the district for 19 years, so if we didn't do a good job at putting it in the regular budget, then we are responsible for these kids.

Director Leeson stated to Director Ortiz: You were part of board that put it into the Stimulus funding last year. The grant expanded the program, we had a much smaller program in the GOB but the grants did allow us to expand the programs, and we are going back to what is funded from the GOB part of the program, but I just want to clarify that it is not only the Pre-K, the ASPIRE program, the Family Centers, these are not programs that the district is dropping, this is funding from the state and the federal government that is being dropped.

Director Ortiz stated: I believe when we say the district, it is the board. What I am saying is, we are putting early education at risk and that should be our foundation. We are also saying that we are going to eliminate Family Centers, but then how do we expect to have contact with the parents, how do we expect to have more parent involvement, if we are going to eliminate these. I know we have to eliminate somewhere, but these cuts, specifically with the early childhood education, kindergarten, are going to effect us more than they are going to help us. I believe that we should look at this more closely instead of just chopping them. I know we didn't put it at that time in our general budget, but this is the time that we should just reconsider that.

Dr. Roy stated: I did want to clarify on the Family Centers, the family development specialists, there are 16, six were funded by the ABG, Accountability Block Grant, the rest are funded by different various grants, some local, some state, some private, and so at this point, we took those positions for balancing expenditures and revenues out of the budget because for the other 10 positions. We are not sure if we are going to get the grants yet, so if the grants come through, Mrs. Tate can give us more on that, then we will have the money for those positions. We did in this proposal tonight, propose keeping three, we actually are proposing even though ABG money is gone that we do pick up in essence and this would be a change for the district's three family

development specialists as part of the GOB at least so that we knew that we could staff the locations where we have Family Centers at Marvine, Donegan, and Broughal. Our proposal preserves three positions and more may come back. Some grants are more hopeful than others.

Mrs. Tate stated: We do have an application in to the Department of Welfare for the Marvine Family Center, that is pending, we have not yet heard. My understanding is that they did not take as large a hit as education, so we're somewhat optimistic about that. We also have two grants, Family to Family grant and the Time Limited Reunification grant. Those are funded through Northampton County Children Youth and Families. They are awaiting word on their budget, and then subsequent to that we will have more information about the prospects for renewed funding of those grants. There is also a grant funded through United Way and that has been applied for through Dr. Bonnie Coyle and again that is pending.

President Cann stated: To clarify Dr. Roy, the Family Centers are not being closed, we still have the same three we have always had, it is a staff reduction and in fact the staff that is maintained in this budget is coming out of GOB.

Dr. Roy stated: If the board were to agree to that, that would be a change, but our thinking was that at least to preserve and again sustainable, if we make the commitment, that is the board's decision, to say, we want to sustain this with general operating budget monies, so at least we have family development specialists at the three places that we built to be Family Centers.

Director Faccinetto stated: The initial thing I see going through this is that there is only \$174,000 in cuts that involved any kind of extracurricular activities, and I think they all seem to be sports related tonight. There is a ton of cuts on things that effect the overall education, so I don't know what is coming down the road but it seems that in the past we cut reading specialists in elementary schools, and guidance counselors, and now we are cutting more on top of that. We are going to let seniors go home early. I don't know how that prepares them for college to give them off time in the second part of the year. There doesn't seem to be anything else, and like I said, I don't know what is coming next time, but there is no kind of administrative cuts on here, no major cuts, and I don't know what is coming. It bothers me to only see \$174,000 in extracurricular activities when there are all these cuts to basic education.

Dr. Roy stated: We can take another look at those areas, those areas have been cut previously, so there is already been reductions in those areas, in the extracurricular as well as

administrative cuts both at the district office and there are several administrative cuts in here, and at the building level last year with the reduction of assistant principals, but those are areas we can certainly go back and take a look at. The reduction of the athletic director, going to one athletic director, would be a major change and although the savings doesn't show up in the athletic budget because the person was in the teacher's salary bucket, that is an additional \$80,000 or \$100,000 in savings that is related to athletics, although it was in the teacher bucket.

Director Follweiler stated: First a comment about Director Faccinnetto comment. Dr. Roy had said that there is an overall 15 percent reduction to athletics, so that seems like it should be more dollars than \$174,000. What is our total athletic budget?

Dr. Roy stated \$1,500,000.

Director Follweiler questioned: That is our total athletic budget, all the coaches, all the trips, all the buses, everything to do with athletics?

Mrs. Gober stated: The general fund contribution toward the athletic budget is \$1,400,000 and change and the remainder of the funding for that program is through gate receipts.

Director Follweiler stated: I think it is an excellent point that Director Faccinnetto brings up that we do really need to look at those areas as well.

Director Follweiler stated: Regarding Director Ortiz' point, I have been pushing Dr. Roy for the cost per student on SPARK, so I can a handle on where did the cost start to build up. It is my belief, without data and I don't like to make assumptions without data, which is why I want it, is that the cost per student has risen in a much higher rate than the cost of inflation in many of these programs and I think that that is at the core problem to our finances as well as probably all governmental finances and that is where we have to find how we correct the problem because if we do not correct that problem, our children will be here on the next board, 30 years from now, at the cycle of inflation with the same thing. I think using SPARK as an example of dollars per student, 19 years ago, dollars per student, 5 years ago, dollars per student 10 years ago, is really going to tell us a lot at where we went wrong and if it was at some percentage increase over inflation that that is where the problem was and how do we start any other programs and not allow costs to increase more than what the rest of the economy is increasing. That is just my broad market plan for that.

Dr. Silva stated: My guess without having the specific numbers,

would be that 70 percent of the increase in costs would be related to the personnel, for the teachers, as teachers salaries increase.

Director Follweiler stated: Then we have to figure out how the teachers' salaries increase at a higher rate than inflation.

Dr. Silva stated: That is correct and that is where the per pupil cost goes up because their teacher is more expensive.

Director Follweiler stated: We need to look at that because if we are cutting 170 positions, I don't know if we had, I shutter to use the word because it will not be popular, but did we actually have that much fat in our staff that we had that much extra staff that we don't have to change class size and we can cut out that many positions. There is a problem there for years that have built us to this point where we are today.

Director Burkhardt stated: We are sending our district back 30 years with this tonight, our middle schools are being decimated, we're doing away with one of the most critical issues of middle school, which is teaming, that is 18 positions we started and that was 1981 when we started that discussion. In 1989 is when we began talking about smaller ratios of counselors to students at the high school; we're just going backward on that one. Boards of Education sat here and gave teachers their raises, some of them during some very difficult times, but it didn't happen out of the blue, it happened because of the dynamics of the community at the time. That sounds good Director Follweiler to make it sound like this kind of just happened, it didn't, just as we are going through the process now of having to make some difficult painful decisions about cuts, let's just stick with what we have to deal with tonight and see how far we go. I have a recommendation, we have \$4,000,000 to go; 1.7 percent, which is minimal, and it takes care of half of that approximately. We have buried in this budget \$2,000,000 to increase our fund balance again. How can we be putting money into a savings account when we can't fund basic education? If you want to put that money back, then let's go to the 3.6 percent tax increase, then we can have the fund balance, because I understand the importance of that, but we need to make sure that we at least try to get somewhere toward a reasonable amount because what I am hearing from the Superintendent is the next round will be class sizes.

Director Amato stated: Just to comment on Director Burkhardt's statement, I have been on this board 16 years, and he is right. But 16 years ago, we had \$15,000,000 and \$18,000,000 fund balances. Times were good, and we were on the fringes of technology and everything else, no student left behind theory, but today we don't have a good fund balance and the economy is in the toilet and we have to deal with that. When I came on the

board, it was \$15,000,000 to \$18,000,000 fund balances.

At this point, a taxpayer stood up and was yelling and stormed out of the meeting.

Dr. Silva stated: We don't have anything but regret in reducing or making a recommendation that leads to the reduction of the staff. Those high school teachers are the ones teaching my daughter in 11th grade who won't have as many electives next year as she had this year, and it is my son, who is not going to have teaming or having the educational program at his middle school, so I am paying once, twice, three times with no joy in it, just regret, so that was a mention of the magnitude, 8 percent is the magnitude of a corporate restructure as far as the number of unemployment that it produces. I in no way, and if I am responding emotionally, I in no way said that is a good thing for the Bethlehem Area School District because I know it is not good for me, as an educational leader, and it is not good for my children.

President Cann stated: I understood the context of your earlier comment.

Director Amato stated: First of all, for the loony guy that just left, this district did not pay for me to go to Hershey, it didn't come out of this district, I work for another district, as an athletic director. Let's get back to how we can save money and without affecting the programs that we have in place, not having to increase class size, not having to cut programs out completely, etc., to utilize the resources that we have and to be able to maintain those programs and the staffing that is needed for them. I am going back to the boiler situation. Regarding the \$350,000 boiler issue that we were discussing at the last meeting. We have four middle schools. Do we need them, or can we eliminate one of them and be able to do what we need to do to educate our students. We've got Broughal, Director Tenaglia brought up last week that it was built for 900 students and we have 600 students there. Are we utilizing our resources to the best of this district by letting that school have 360 some open spaces where we could move things around? I know this district doesn't want to hear that because that would be redistricting and moving students, but we are in a critical time in Bethlehem and in the state of Pennsylvania. All the districts are in a critical situation and are these things that we should look at to be able to keep in place programs that we have without adding to class size, utilizing staffing and the resources that we have by taking four middle school and combining them into three. I bet you in the elementary schools that it is even worse. Have we looked at combining in the elementary where school population is down and should we be taking that particular school and closing it and moving those students. How much would that save? We are going to utilize our

staff without cutting into our program.

Dr. Silva stated: That is a good point Director Amato. We have in our discussions talked about some structural changes. If you noticed on the PowerPoint, there was one point on the end where we are saying in subsequent years if this continues at low indexes that we will have to look at those structural issues, such as sharing grade levels in one building and then moving all those students to a different building, consolidating, or making staff more efficient. Structural change, redistricting, closing buildings requires a lot of time to plan, to get the involvement of the community, build a consensus around it, but structural change is something that if the economy doesn't improve, and we continue to live under this index, that we will have to do. This year it is a little late in the game to be doing it for this year's budget.

Director Amato stated: I can understand that and I've been told in my district, I have to cut my athletic budget and I am doing that, but I was reminded, it is not going to get better next year, it is going to get worse. This is what I was told in my district and I am sure it is going to be the same thing here; it is not going to get better next year or the following year. We are going to be faced with the same things next year and the following year and maybe three years down, so what I am saying is that something like this, maybe not for this year, but to put in place a plan and get the involvement of the parents and everybody in this district, all the stakeholders and plan for that. Do we need four middle schools, maybe we need three, do we need eight elementary, and maybe we need six, and look at that because it isn't going to be better.

Dr. Silva stated: Those structural changes are topics that we will have to investigate and plan for as we move forward.

Director Amato stated: This is very difficult, but I just wanted to ask because again, in sitting and discussing the last couple days in Hershey, some of the larger districts are doing that.

Dr. Silva stated: To be honest with you Director Amato, when we saw the Governor and I heard him ticking off all the reductions, I was thinking, wow, would we be able to get to there without structural change this year, so we went back to the drawing board over the last three or four weeks since the Governor spoke, but we have concluded that that would not be necessary this year but is something that we would need to plan for and think about as a possible option.

Director McKeon stated: Again, we go back to SPARK. We knew this issue existed two years ago and as part of the budget discussion two years ago we contemplated eliminating SPARK,

and we weren't going to break it down the way it was, we were going to eliminate it entirely and the stimulus money came in and bailed us out of shutting SPARK down. So, the disbelief over SPARK being reduced should not be new to anybody, and I think we had looked back two years ago and the cost per student was about \$12,000, I am not positive, but it exceeded what our regular children were. I know our special ed. is above that cost per child, but we've got to control the costs on it.

Director Leeson stated: Just to a couple of small points. First, a little clarification, Director Ortiz, I agree with you that these are going to be great losses in our district. It is not that I don't agree with you on that and I think Mrs. Velazquez spoke to everyone about trying to contact our legislators and expressing our concern about some of these cuts, and that is my point. My point is not that the loss of these programs will not have meaning in our community, but that is sad. Director Amato brought up a good point and that is where do we look for some of these cuts, where additionally can we look for some cuts, and I would like to talk about one in particular. I think Dr. Roy you gave us the information that Charter Schools are costing us about \$8,000,000 right now. In particular Cyber Charter Schools are costing our district about \$1,600,000. Now, I know we haven't or maybe Dr. Silva you have more additional information, but I don't recall revealing the Charter Schools in recent time, but when we did review them, I don't believe that their performance was any higher than our district school.

Dr. Silva stated: I have crunched some numbers recently on that one, and there is one Charter School that performs at our level, slightly higher, but the vast majority of them we exceed their performance at least on PSSA measures.

Director Leeson stated: I believe that there are a number of people who are concerned that we are spending again, almost \$9,000 a student, that we are sending particularly for the Cyber Charter Schools where students are at home and taking a course through the computer, and I think there is some concern about the amount of money that is going towards this and the way some of the Charter Schools are being funded and their performance levels. Now if we were to look at those Charter Schools, I also need to point out that two of the Charter Schools in our community, this board did not approve, we were required to take them from the state and now the state is no longer funding even their portion of those Charter Schools. I have nothing against school choice, in fact I like school choice, but if it is a choice that is showing performance that is outperforming what we currently have, and if the funding source is fair to be sending funding to a Cyber School that does not have the expenses of a brick and mortar school equivalent to be sending the equivalent of the cost

of educating a student in our schools to a charter school who do not have the requirements, do not have the costs, and also are not carrying all of the extra curricular activities, but sending those students back to the school district for the extra curricular activities. I think that these are some of the things that we really need to start looking at, not just Bethlehem, but we need to look at it as a state. How are we funding and are the schools performing at a level that is commensurate with the funding?

Dr. Roy stated that it was between \$7,000 and \$8,000.

Dr. Roy stated that Cyber Charters in particular are low performing when we did this analysis, and the reason Dr. Silva is working on it is because all of the Superintendents in Lehigh and Northampton County are compiling data for all of our districts versus all charters that we send our students to and again, with the exception of one local charter, our district grade, level by level, reading and math, test by test out performs the charters. That is across the valley, so we want to use that data to share with the legislature, there is some proposed legislation to revise funding for Cyber Charters for just the reasons that you mentioned. They don't have the same overhead because they are not brick and mortar, but they do get the same funding. So, maybe there will be some relief there in the future.

Director Leeson stated: It could be substantial money for us.

Dr. Silva stated: If they charged at their actual cost, it would be a substantial savings of money, much less, quality of the education, which I think in the Bethlehem Area School District surpasses.

Director Amato stated: In reference to Director Leeson on Charter Schools. There were two schools that we did not vote and the state said we have to take them. They are performing below us so is there any way Dr. Roy that we can go back to the state and say we want out of this and here are our reasons. Originally, we didn't vote for them? The state gave them to us, now they are cutting funding from the state to the Charter Schools and from us, so in these economic times can't we just not fund these two Charter Schools anymore? Is there anyway we can go back to the state and throw it in their lap and say we don't have the money to support them? We didn't vote for them in the first place and these students can be educated better in our system then they are being educated there, so, we are just not going to support them. They may take us to court but we've got to go out and fight for every dime and nickel that we can get and this is a real drain on this district with these Charter Schools.

Dr. Roy stated: The Charter School is written in favor of the approval of charters as Bethlehem has learned in other school

districts as well and so we don't have the option unfortunately of saying we don't want to pay, when charters come up for renewal we can look at their performance, but again, as you mentioned that the charters that Bethlehem has acted on or has denied has been approved at the state level anyway, because the field is slanted in their favor right now.

Director Amato questioned: Don't they have to perform to some standard in order to stay as a Charter School?

Dr. Roy stated: That would be a reason that we could consider when their charters are up if their performance is substantially below, but even in districts that have done that, that has been a tough road to go.

Director Amato stated: Yes, but that is back when it was a little bit better times. Today maybe we would have a better shot at being able to get out of these Charter Schools because of the cuts that have been made at the state level and throughout.

Dr. Roy stated: You have a Governor and a legislature that is very favorable toward Charters and choice and therefore, I am not sure.

Director Ortiz stated: Going back to what Director Burkhardt was saying on our fund balance. Fund balance was made for an emergency as Director Follweiler told me. This is a real emergency to have our early childhood programs. Is there a way that we could save this program with part of our fund balance? This program is important in the community. We are going to be losing a lot of early childhood programs, this is not just in the district, and we are going to be losing a lot of money in the community as well. So, do we think that the community is going to take over for us? Are they are going to educate the little ones? No, they are also losing money as well, so it is our responsibility to have a foundation for early childhood education and this is our opportunity to show our leadership. So, can we at least try and see what can we do? Talk to the parents and see if they are willing to have at least a fee, but just don't wipe this program just like that. Let's see what we can do to see if we could save early childhood education.

President Cann stated: I have to say that it is incorrect to say that a fund balance is for emergency. That is one of its roles, but its major role is to establish the credit and the stability of the school district with the amount of bonds and loans that are part and parcel of running a school district. The amount of the fund balance will determine debt service, interest rates, credit ratings, and it determines the overall health of the school district, and if your fund balance is too low, we will be paying for that;

taxpayers will be paying for that year after year for decades to come in the interest rates that are assigned to our bonds. It is not a small thing. The amount of fund balance makes a huge difference in a budget, so it is important to keep that fund balance at a reasonable rate. Emergency is really a tangential purpose of a fund balance.

Director Burkhardt questioned: Back to the loss of staff at the middle and the high school levels. Are we basically losing English, Social Studies, Math and Science teachers in the middle schools? Those 18 positions.

Dr. Silva stated: They will primarily be out of the core because those are the subjects that are teamed.

Director Burkhardt stated: It is probably four plus positions at each at middle school.

Dr. Silva stated: Yes, but we would have to do the calculations of who has different certifications and where they would land, but yes they would come out of cores.

Director Burkhardt questioned: At the high school level there would be approximately 20 positions and how are they spread?

Dr. Silva stated: It is pretty much across the board in the different departments. From Mrs. Durante, just as of yesterday, it looks like Art would be down one, Business down 1, Family and Computer Science down 1, World Language down 1.7, Health PE down 1, Industrial Arts down 1, Language Arts down 2, Math down 2, Science down 1, Social Studies down 0. It is broad across for 12. Then Mr. LaPorta – English 1, ESAL - .6, Music .8, Guidance 1.5, Health PE 1.2, Math 1.0, Science .5, Social Studies .5, and special ed 1.0. Again, it would be broadly across.

Director Burkhardt stated: It is really 23 positions with the 3 counselors.

Director Leeson stated: Speaking to that particular issue, I am going to speak to my position on the high school. We talk about wanting to have a comprehensive school experience, and we talk about offering students a broad of range of options at the middle school and then stepping them up to the high school level and reducing the number of opportunities at a time when the students should be exploring, should be doing more exploration than even at the middle school level and so I guess I am having a little of difficulty with the idea of reducing our academic programming by six credits

Dr. Roy stated: That was not the idea tonight, that was just to

show the extra space from what you need to graduate at 26, the total number of credits you can earn. What we were suggesting tonight was that in the senior year only, that rather than being scheduled for a full 8 classes, they would be scheduled for 7. So it is 1 class unless the student wanted to take it, we are not saying you can't.

Director Leeson stated: I love the opportunity that our seniors have for dual enrollment, and I think we should continue to try to expand those opportunities for our students but the opportunities for also not only AP programming which is an opportunity to explore and broaden and prepare for college as Director Faccinnetto spoke about but also the opportunity for some of our seniors to just explore other interests and within our rich elective opportunities.

Dr. Silva stated: There is no doubt that when I came to Bethlehem, and I looked at the programs of studies, it is a very robust of elective offerings which is admirable, which is good. It is hard for me to disagree with you Director Leeson, but we were trying to protect the core areas at the same time. So that calibration, if that is the will of the board, is off and it needs to be refined, we will take that direction.

Director Leeson stated: I do have some other ideas for cuts. I am just hoping that we may look at some of the alternative ideas as opposed to perhaps, like I said, of all the cuts, this is our mission, our mission is supposed to be educating the students. We are required to educate grades 1 through 12 and I think that we accept that K-12 is our responsibility, so as much as we would like to go even further than that, I think that we should at least be trying to protect that K-12 area, as far as other cuts, here is one small one, have we looked at custodial maintenance?

Dr. Roy stated: There was a reduction as far as staffing. There was a reduction of 1 assistant maintenance supervisor in here. As far as reducing custodial staffing beyond that and looking back at some past numbers where there were reductions and looking at staffing ratios compared to industry standards, we are already below that so we didn't at this round take more from the area that was below standards.

Director Leeson stated: Could we talk to our teachers and to the teachers union about possibly the teachers being responsible for their own classroom, and have a thorough cleaning during the break periods and then having custodians that do our common areas? I know this isn't popular, but unfortunately, in order to maintain some of the programs that we have, if everyone gives just a little bit, if we all try to do a little bit and I know our teachers are giving a lot at this point, but if we all try we might be

able to reduce a couple of custodians.

Director Ortiz stated: We already went through a lot of cuts and we still have more to do. Do we know any of the programs that are going to be on this chopping block? Do we already have a list of other things, or are we just going to sit back and try to save it because we are just in the bare bones? What are the other suggestions about the 3.26 percent tax increase? Is it not on the table?

Dr. Roy stated: I can answer this question that if the board's will is for us to continue as the direction has been to go down to the 1.7 percent, then we need to reduce \$2,400,000 more. We don't have a ready list of things to step in there. We are going to have to go back and take deeper looks at everything that we have already been going through and obviously in pretty intense detail. That is why I say you can't reduce another \$2,000,000. without continuing to get into staffing personnel people.

Director Ortiz questioned: Can we be looking at transportation in other extra curricular activities?

Dr. Roy stated: There are transportation reductions in here and the savings are reflected by reducing bus runs, reducing the mid-day Kindergarten would be the big one, so that we can reduce then the amount that we pay bus drivers and running our buses.

Director Ortiz questioned: So those are already included without even going further on the \$4,000,000 that we are still in need to reduce?

Dr. Roy stated that the transportation savings that were mentioned tonight are already in here, the other piece that we are looking at that and we are working on pricing out, but that I don't have yet is pushing the elementary busing border from 1 mile to 1.5 miles to see how much that reduces our number of bus routes we need and the number of times for bus drivers. Nothing is as simple as it seems and you can't just draw the circle back a half mile because you have to consider are there major intersections, are there dangerous roads, how many more crossing guards do you need because the kids are traveling farther, so that is something that Mrs. McKeon, our new transportation supervisor is working on, but I don't have the numbers for that yet and the savings may not be as great as we originally hoped because of all those other variables.

Director Follweiler stated: Actually that segwayed right into my point because last budget workshop I had mentioned about looking at the transportation, and I was thinking more at the high school level if we moved that out from 2 to 2 ½ versus the young

ones. Just in general my question was going to be did we look at that option yet?

Dr. Roy stated: I checked on that and the two miles is the limit under school code.

Director Follweiler stated: Can we eliminate transportation all together for certain levels, not all, or would it be all or nothing?

Dr Roy stated: I had a preliminary opinion from our solicitor on that and that would be possible to eliminate a particular level, but not all.

Director Follweiler: Then again another area to look at. As Director Faccineto pointed out earlier in the conversation, looking at more areas in the extracurricular world. I am a large fan of extracurricular activities and do believe that that molds the child into an adult and it is very important but looking at more areas for contribution whether it be through fundraising or through fees pay to play. Have we looked at any of that?

Dr. Roy stated: We did not redo work that was done a year or so ago on Pay to Play. I don't know if Dr. Donaher wants to give a summary on the work that was done a year ago.

Dr. Donaher stated: Last year they did look at Pay to Participate, and we found out that if we were to charge students \$50 per sport that they played and allow for students who are on free or reduced lunch not to have to pay that, based on the number of student athletes we had at that time, and those that did fall into those categories that we could probably realize a \$72,000 revenue. Currently, we have been hearing from other school districts that currently have Pay to Participate that on their projections, they have not realized anywhere near the projections that they thought they would when they instituted the program, but again we do have that information from last year. Our numbers have not significantly changed as far as number of student athletes and the percentage of those that are free and reduced lunch. So, at \$50 per sport, there was no cap, if you raise that to \$100 per sport, then you would double the \$72,000 to approximately \$144,000. We would have to come with conclusions as to the rules and regulations and obviously we could look at other districts that have done it as far as when does the money have to be paid, who collects the money, when is the student eligible if they haven't paid, are they not eligible, can they do a payment plan, we would have to look at a lot of that if indeed we ran into some concerns, but we did do a study last year and the board decided not to institute the program, but we do have the research on it.

Director Follweiler stated: Just to clarify part of my point, I wasn't necessarily talking about sports, it could be any activity, across the board, and maybe a flat fee for participation for any extra curricular activity. I believe our band already pays a fee. These are just areas to look at some of the items we are now cutting out that we are expecting the groups to pay for themselves that might be an area where those activities wouldn't be cut out from the child's world, but it wouldn't be paid for necessarily directly by the district. It is just a little brainstorming and I think it is something that we need to look further into.

Director Amato stated: That was a topic that was brought up by the gentleman who left, and that was a topic that we discussed about Pay for Play in Hershey. The league that I am in, the colonial league, out of the 12 schools, two of them have the pay for Play, but it varies in \$50 for the first sport, \$25 for the next, etc., etc., but others are discussing about if you do it, you can't just do it for athletics, you have to do it for all extracurricular activities. There is probably 600 members of the bands between the two schools and another how many athletes do we have between the two schools. We have hundreds, so you are talking about 800 students and all extracurricular activities, now you put a \$50 price on it, and you are going to get some meat out of it, but to zero in on just athletics is not going to give you but \$60,000 – \$70,000. If you are going to do that you need to do it for all activities, and I think that is what we had said we were going to do if we institute that, it is going to be for all and it will include the band too.

Dr. Donaher stated: It will include clubs as well.

Director Amato stated: Clubs, Drama, Chorus, and any extracurricular activity?

President Cann stated: At this point, I would like to get a sense of where we are at.

Director Leeson stated: I think currently at the middle schools we have classroom sets of computers, and we also have a computer lab, and I believe we have some classroom sets at the high school, but I don't think that we have them throughout the high school. I am not sure that we can continue to afford classroom sets in every classroom and perhaps we should look at developing a program that allows for the academic use of technology and for the development of our students in technology, but it is not to be as costly as a classroom set in every classroom, like we currently have at the middle schools.

Dr. Roy stated: We have discussed the idea and rather than having them sit in every classroom all day long and get used

when they get used, do some more creative scheduling of the computer so that they are there when you need them.

Mr. Arbushites stated: We continue to always look at the alignment and the usage of computers in the middle schools and high schools, and we want to have the carts available when and where they are needed. So we worked out a sharing plan for the last couple of years in the middle schools where there would be a certain number of laptop carts available for the teams, and they would share them and schedule them, as they are able to among the teachers that used them.

Dr. Roy stated: There will not be a plan to go with a set of computers for every classroom.

President Cann stated: We talked a lot, and I just want to get a sense of where everybody is. It obviously is not brain surgery. It comes down to cuts or taxes, so none of this is pleasant. The administration needs to know how to go forward because as we've acknowledged if we want to get to at least have the opportunity to view the 1.7 percent or less increase, they need to do even more cuts, so they need to know if these are acceptable so that they are just adding to these or replacing some of these. I want to see if there is a consensus to at least let them proceed with these.

Director Tenaglia questioned: Have we heard if the exceptions to the district have been granted?

Dr. Roy stated: I was just looking for that and I thought it was in one of my handouts, but I don't see it so I apologize for that. Are you are asking for the index plus exceptions?

Director Tengalia stated: We passed the primary budget and part of the rationale for that was that it had allowed the district to make application for exceptions, but I don't believe we heard the results of that.

Dr. Roy stated: They do not have official word back but our estimate of 6 percent was high and it is going to be approximately 4.02 percent. We are supposed to hear back from the state any day for confirmation.

Mrs. Gober stated: The current estimate as of 4:30 yesterday afternoon was about \$5,000,000 with \$9,000.00 in exception value which translates to about 4.02 percent.

Director Tenaglia questioned: Is this in addition to the 1.7 percent or including the 1.7 percent.

Dr. Roy stated: It is including the 1.7 percent.

Mrs. Gober stated: It is the index plus exceptions.

President Cann stated: Obviously we are not voting. I am not asking for line by line acknowledgments or okays, just a general sense of if we can start moving forward on the things that are in here and in fact most of them in general because they still need to do even more. Could I just get a consensus because the administration needs to know where to move?

Director Burkhardt stated: What I have seen so far I don't have any major issues with.

Director Ortiz stated: As long as I have the information that I ask for. I do have a problem with the early childhood and the kindergarten and some of the special ed. cuts, other than that nothing.

Director Follweiler stated: As difficult as it is, we have to keep in mind that our charter if that is the right word, is first grade through twelfth grade, and we have to make sure that we concentrate on the core subject matter in those grades, which I think is what the administration has done. I think we need to look at more areas, and I do think we do need to have further discussion before our final answer, but as from the beginning I want to see what it would take to have no tax increase.

Director Amato stated: I agree with Director Follweiler.

Director McKeon stated: I believe that with keeping the \$2,000,000 in for growing our fund balance, that I would be willing to support the 3.64 percent which does that. What is here is what's here.

Director Leeson stated: Well, I have to say we saw nothing until we sat down tonight. I mean this presentation is the first that we are seeing any of this, and we're hearing anything about these cuts, so to make a decision, as we're even asking questions, we're finding out more about some of the cuts that are here. I think that without having a little more time and a little more depth, I can't commit to anything at this point. I also think that there have been suggestions made already to look at some other areas of cuts; I know other suggestions have been made previously. So, I think we have to continue looking for cuts, continue looking at all cuts, and then when we see all cuts, make decisions as to which ones we feel we can align with and which ones are untenable, so I am going to say that I would like to see the administration continue looking at cuts and continue looking board based and no, I am not

going to your three percent tax increase.

Director Burkhardt asked: Could you agree that we not authorize them to look at increasing class size and that they could look at other kinds of cuts, but not class size?

Director Leeson stated: Yes I would. First of all, it is my position, that the administration asked for guidelines for this budget and in the guidelines were the class sizes and the board approved those guidelines and so as of today, there has been no changes in the guidelines, and so the administration's task is to bring us to budget within the guidelines, so that is on the table right now and there is not way that the administration can change the classroom in my opinion.

Director Faccinetto stated: I most certainly would like them to continue to work for creative ways to try and find a solution to this, but given what is on the table now, I would support a three percent tax increase before we are left with a district that we don't recognize.

Director Tenaglia stated: I share Director Leeson's frustration with the fact that we just received this tonight at 6:00. Significant reductions to the district, and the board was not given ample time to review it and comment on it. I don't believe though that there is a majority of support unless there is sea change on this board for an increase over and above 1.7 percent, and I would remind the board that they already spent in excess of the 1.7 percent with the recently granted teachers' contract, almost to the tune of just under a half a million dollars, so some of this has been a problem of our own making.

President Cann asked: Do you have any problem with the cuts in general, so that they can presume to just build on them?

Director Tenaglia stated: Unless there has been a sea change on the board, there was not majority support for an increase over and above 1.7 percent, so the administration still has to meet that target and there was significant minority support for a 0 percent tax increase, so I think that hasn't shifted significantly either. We at least have to get to the more important stuff.

President Cann stated: Even if there was some sea of change that we were at 3.6 percent, you have to do all this to get there anyway.

Director Tenaglia stated: When we see the final budget, it could very well be that there will be some tweaking, but certainly this is the direction that we have given them, and they must try to meet those break points.

President Cann stated: I just want to add that shortly after Governor Corbett's address, the board gave a detailed explanation of the kind of cuts that they would have to be looking at in order to meet the new standards that were set by Governor Corbett, and they pretty much match up to everything that has been done, so I don't think it was without notice.

Director Leeson stated: I want to clarify something I heard that if we had a pay freeze, that it would be about \$2,000,000, which is under one percent. So when you say it is over the 1.7 percent, I not sure what you mean.

Director Tenaglia stated: This was the number that the administration provided.

Director Leeson stated: I know that, but now we heard a different number, so I just want clarify that you just said that the pay freeze would be about \$2,000,000.

Director Tenaglia stated: I don't know where the \$2,000,000, but we were given in writing from the administration, the impact of the BEA contract and it was just under \$500,000 more than the dollar increase of the 1.7 percent index.

Director Leeson stated: We also understood that was without the retirements, without any changes and everything else.

Director Ortiz state: Can I ask a favor that we get information on these numbers, because it is true that we just got this information and it is very difficult to make decisions when we don't have that information beforehand. Also, I second Director Burkhardt and Director Faccinetto on the 3.26 percent tax increase because I think I don't see anywhere else where we are going to cut.

President Cann asked: Dr. Roy, do you need anything else from us or do you want to make some last remarks?

Dr. Roy stated: I think that it is a process so certainly when we are at the end of the process it may be something that was on this list tonight that said we need to reduce three of these and it turns out we are not reducing three of those we are going to reduce something else over here, we understand that. So this is what the board has given and is exactly what we were looking for and we'll just keep going. You are in the right direction and one of my main goals was for the board to understand the magnitude of the personnel impact that has needed to happen to get to this point, and it will need to happen to keep going forward. And so, as long as we keep going is the direction you want, then you know we will continue to do that. I will say going forward that

this was hard work to get to here and this is extremely painful and emotional, and it is going to be even more painful and more impactful to go beyond this, and we will continue to try to be creative in doing that.

President Cann opened the floor to Courtesy of the Floor at this point.

Mark McKenna
417 Cherokee Street, Bethlehem, PA

COURTESY OF THE
FLOOR

Mr. McKenna stated: Good Evening and thanks to President Cann and Dr. Roy for opening this up to a bigger space, this budget workshop. I would like to address one item that you all have been talking about and ask for a broader proposal at the end.

I am a taxpayer, a parent of two sons, one in 8th grade at Broughal and one a junior at Liberty. I'd like to second the idea that the classroom is at the heart of the educational system, and I would like to say that I think, guidance, the guidance staff particularly at the high schools, but all throughout, they are at the heart of the classroom. Reducing the guidance staff is like increasing classroom size. The guidance staff at the high school level provides crucial, proactive and personal contact, and support to every student in the classroom. With the classroom teachers, the guidance staff paves the way for students, they pick them up when they fall, they redirect them when they go off the path and they open new avenues when the current path is not enough and here is just a quick sampling of what the guidance staff does. They are creating appropriate schedules for students to take into consideration factors, such as balance, placement, special needs and future plans of the students. They provide crisis intervention, they provide college and career advising, they help to prevent drop out rates, they provide conflict resolution, they identify and intervene to help students with substance abuse and mental health issues, they assist students to access help with academic concerns, they connect students with services in and out of school, such as counseling, housing, SAT and ACT preparation, driver ed classes, summer programs, summer jobs, community service, financial aid sources, etc. They provide direct and indirect programs that keep parents informed and for homebound students, they help process referral and hire teachers and monitor paperwork and grades. I was at one of these great programs that the guidance staff put together at Liberty last night, college night, and I heard a horror story, there was a college admissions officer there to talk with us and the college admissions officer talked about how Liberty's guidance staff was really great, how the recommendations that they got from the Liberty guidance staff were always personnel

and they were well informed, they have come over the years to trust and depend upon the guidance staff's recommendations as truly reflective of how the kids are going to do at their schools. This was a great compliment to BASD guidance staff, then they talked about another Lehigh Valley School whose looking at one student's recommendation and it talks about this male student being a good student and it kind of seemed a little bit like a form letter and at the end of that letter, it said, she will be a great candidate at your school. The person said wow when did he become a she, like how did this happen. We are talking right now about a current ratio of 250 to 1. I just heard that number today. I can't believe how the guidance staff does all that effectively at 250 to 1. Tonight we are hearing about the possibility of going to 300 to 1. I don't think it can happen. So, what I would like you guys to do, we are talking about 170 positions being cut possibly, I hear some of you on the board thinking about changing the guidelines a little bit, and I want to encourage you as board members to allow Dr. Roy and his staff to consider tax increases of two percent, four percent, maybe even six percent, let's just see the numbers. Let's see what they are. Let's see what happens and have the courage and before I say this, I don't admire being in your shoes, any of you in the administration or on the board, so thank you for your service and for the privilege of that service, would you risk these nine positions versus the 170 positions that might be cut, were you to raise taxes even more than proposed tonight? I think it is worth it. We have worked really hard for a long time to have a really strong school district, and I heard Director Burkhardt saying it is setting us back 30 years, it sounds like it. So the guidance staff is at the heart of the classroom.

Karen Becker
738 Apollo Drive, Bethlehem, PA

Ms. Becker stated: I have students in the middle school here, and I have one at a Cyber Charter School and I can tell you that I have Cyber Chartered my other two and the educational experience is beyond what you can imagine. They are typically subscribed by two populations of interest, one is from low performing schools and the other is a population of parents who feel their kids aren't getting enough. So when you look at the composite scores, it is like looking at the composite score from East Hills, the bottom of the barrel scores, the top and we all converge to the middle. That being said, I think there are some places that we can make some cuts and some things we need to think about. There is a debt servicing number in the budget of 23,000,000. I would like to know how 10 percent of the budget is the debt service number? Those of you on the board for years, I believe you approved all of that, and when you sit there today and say no taxes, you are responsible for allowing the debt to get

to a position that is unimaginable. I work in a University; we have a six percent debt to equity ratio, 10 percent completely unheard of. You also have a \$789,000 photo copying expense and this day and age it is completely uncalled for. Again, at the University I work for in a two-year time period cut our photo copying expense by 70 percent, go paperless. We don't need 100 pages unless you are all willing to pay for them yourself. There is a half million-dollar charge for the board. What is the half million-dollar charge? Maybe we can take a look at cutting at least half of that down. I don't know, but I think there are other places we can look other than in the classroom. I am appalled to hear that we are cutting core academic teachers and leaving sewing and cooking. Come on folks. I am sorry, but comprehensive experience; let's get the core academics down first. Thank you.

Joann Batiste
529 Seneca Street, Bethlehem, PA

Ms. Batiste stated: I just wanted you guys to reconsider the cuts in Early Childhood Education. I have a three year old that currently goes to SPARK. My son was an only child for a very long time and even though I am a college graduate, I teach my son. I try to teach as much as I can at home, but I don't have the skill set to teach my son the proper way, like Ms. McGredy, Ms. Latham and Mrs. Torres do it at the school. If it takes to cut some of the SPARK program, parents are willing to make the lunches for the kids for the 4 year old program. We currently take our kids to the school right now, so if you want, cut the transportation. I just want my son to be able to get an education because in today's world where the kids have to beat the odds, and you are talking about cutting full day kindergarten, where is my son going to learn all that he needs to get into kindergarten to go to first grade. These teachers are the building blocks for our kids. These kids are sponges. Program for three year olds have proven studies that kids at an early age retain a lot more information then if you start teaching them in high school. You need to engage them at an early age so they do like the school, so they continue to go to school and engage in all the programs. If we could just save these programs, the guidance counselors are important, but we need to keep early education because it is important for our kids.

Melissa Rosario
157 Green Street, Bethlehem, PA

Ms. Rosario stated: I have a child in Freemansburg and both my children actually, my son is in second grade and my daughter is in kindergarten. They both have been students of SPARK and for you to cut the early childhood program I think you are

forgetting one very important thing. In first grade, the standards were raised. My son came home last year from first grade exhausted after going to SPARK for five hours and then half-day kindergarten; he came home from first grade, exhausted. The reading that is required, the writing, the skills that they learn at SPARK and in kindergarten are needed to go to first grade. So I understand the Bethlehem Area School District supports first grade through 12th and then now they are adding in kindergarten. They need to consider early childhood. It is more than just the core classes; it is the foundation of these children. We have children at SPARK whose parents, some of them are in jail, some of them getting out of jail. They need that emotional stability. We have children who come to us for any kind of stability, and they are not getting it at home or maybe they are getting a little bit at home. These teachers that I have known for the past six years, they are tremendous, they wonderful people who come in and they do sacrifice their time, because some of them do stay past regular hours, or some of them really get involved with my son. When my son was part of the program, Mrs. Latham used to come to our home. They had part of the program when they used to come into the home and that bridged the gap between the school system and the home. Some parents don't know how to be parents other than our SPARK teachers because the education teachers in the elementary school, their workload is just being added on and more and more and now you want to do that more and more. I just think you are asking a lot from people who have families of their own and who work and they sacrifice. Being a teacher is not easy, they are like moms and dads in the classroom and then they go home to their own families. I really think that you should consider the budget, and I don't know about taxes as far as the renters, but if you have a child in the Bethlehem Area School District, you should pay something. This is something to consider. Thank you.

Jan Musichka
West Market Street, Bethlehem, PA

Ms. Musichka stated: I am a proponent of early childhood since that was my background. I am teaching in full day kindergarten now. My kids went to the school system; it made them the men that they are now. I want to know what would a 3.6 percent tax increase look like on the value of a home of \$70,000 or \$100,000? What would that look like in real dollars and cents per household? We get so upset. O my goodness we are going to have to pay XX may more mils. If I am talking about \$200. If you are saying \$1,000, and my kid wants to Pay to Play, it is going to cost me less in my milage rate than it might for Pay to Play. I know people don't want to pay taxes; it is a rough time for everybody. But if these kids are educated, if the core curriculum isn't supported from SPARK all the way through the

high school, 20 people at high school level, that is a killer. The 3.6 percent if it is \$1,000, and you put it over 12 months, how many lattes is it. Plenty of people are going to be pinched by it, but plenty can afford it and it is going to be spread over everybody. I'll take a pay freeze; I'll pay my milage rate, if I know that the kids in this district will have the education that we have been proud of since I've been here 24 years. I think it is crucial. Pay to Play – we all need to. Thank you.

Mike Stauffer
909 Cayuga Street, Bethlehem, PA

Mr. Stauffer stated: I am not sure where the tax increase thing is going to end up. I don't want to tip my hat kind of where my heart is, but I think we do have to be careful with one thing, with 99 percent of the focus has been to the really young kids and well it should be. You'll find few other parents or people that love this district as much as I do or has such good relationships. But, I think we also for integrity sake in the background in all these discussions need to at least keep in mind, there is another group of heroes, there is, when I go out on my street, to shovel my snow or the cut the grass, I live within 50 feet of the front door of three senior citizens, two of whom are retired from the Bethlehem Steel and who lost some of what was promised to them and they are on fixed incomes and I can tell you I understand the passion of the speaker that just came before me, but for them, a thousand dollars isn't a few lattes, it could very well mean being able to stay in their house and again this isn't coming from somebody that doesn't love the district or love public education. I've proven that for twelve years seeing two sons go through the district. I've volunteered, I've helped, I've been extremely involved and I continue to be, so I am not saying to discount the focus that was put toward the young people, again, they are our future. But at the same time we also can't just shovel aside and just conveniently just say whatever needs to happen, these shoulders can continue to bear it. Now I can, I have 15 more years of a work career ahead of me, but I do know people and I've talked to people in Dunkin Donuts, at the Wawa, at the gas station, just in the course of my life and make no mistake, there are people that have shouldered a tax burden for 35 and 40 years in this city that are extremely and razor thin close to the ability to stay in their house. So, all I am saying is again, I am not saying what percentage this should end up at, I am not a financial expert, but let's just make sure that when we focus on one group we don't do it at the cost of completely discounting the people at the other end. So as we go forward, I think tonight was a pretty good night, there wasn't too many insults thrown back and forth, it was a pretty reasonable night considering what has gone down, and I'd encourage all of us to continue in that spirit and we will get their together. But, let's

make sure we keep our entire community in mind and how everyone will be affected by the decisions we make. Thank you.

John Augustino
Stambridge Court, Bethlehem, PA

Mr. Augustino stated: In the interest of full disclosure, first of all I didn't vote for Mr. Corbett so I apologize for the fact that we are in this position, and I recognize that there are no good decisions here. I want to make it clear up front that we are not talking about let's go with a good decision; it's which decision is the least of the bad choices. But, the one thing that concerned me here tonight is the fact that what I heard was one solution. Here is the solution, do you like it or not. And I know it is not that simple, and I know a lot of work went into this and I am not minimizing it in any way the grind that went through to make these tough choices, but I am in private industry, and I work in a world where you have a contract and you live with that contract, and if you are not making enough on that contract, you have to make the hard choices, and you don't have time and I am just concerned with whether or not we've really kind of stepped back and looked at all of the options on the table. Again, and I don't want to create the wrong image here, but what was the status of the freeze? I heard it talked about, but I didn't hear what the status of it is. The administrative freeze. Was that in what we have cut so far? And again, I am only using this as an example, I am not saying this is what should be done, but when I am in a situation where we can't make the program work, the first cut goes to the top and I've been in situations where I've had three wage freezes in my career and one significant 10 percent cut in my career, but I can't look at the people doing the work in the street and say to them you got to sacrifice or get rid of people who are doing their job when I am still making the amount of money I am making, so it has got to start at the top in terms of the cuts, and in terms of the administrative creativity, I agree Mr. Amato, I agree with the idea of let's consolidate, but it is a major effort to consolidate a school, but I didn't hear any conversation about whether or not you can take some of the district administrative employees that are working off site and put them in some of the school facilities that aren't being fully utilized. I've closed offices in forty-five days. You can move administrators in a short period of time and utilize those resources in some other way. Again, I am not suggesting that any one of these is the be all, end all solution, I am just making the point that before we make decisions that cut teachers, I think you have to acknowledge that this is a dire situation, is that reasonable to say this is a fairly dire situation. Before you make a decision on a dire situation, #1 you want to know all the options, and I don't think we have heard all the options. I think the fact that we got the information, the night that you are asked

MARCH 24, 2011

Mark McKenna
417 Cherokee Street, Bethlehem, PA

COURTESY OF THE
FLOOR

Mr. McKenna stated: Good Evening and thanks to President Cann and Dr. Roy for opening this up to a bigger space, this budget workshop. I would like to address one item that you all have been talking about and ask for a broader proposal at the end.

I am a taxpayer, a parent of two sons, one in 8th grade at Broughal and one a junior at Liberty. I'd like to second the idea that the classroom is at the heart of the educational system, and I would like to say that I think, guidance, the guidance staff particularly at the high schools, but all throughout, they are at the heart of the classroom. Reducing the guidance staff is like increasing classroom size. The guidance staff at the high school level provides crucial, proactive and personal contact, and support to every student in the classroom. With the classroom teachers, the guidance staff paves the way for students, they pick them up when they fall, they redirect them when they go off the path and they open new avenues when the current path is not enough and here is just a quick sampling of what the guidance staff does. They are creating appropriate schedules for students to take into consideration factors, such as balance, placement, special needs and future plans of the students. They provide crisis intervention, they provide college and career advising, they help to prevent drop out rates, they provide conflict resolution, they identify and intervene to help students with substance abuse and mental health issues, they assist students to access help with academic concerns, they connect students with services in and out of school, such as counseling, housing, SAT and ACT preparation, driver ed classes, summer programs, summer jobs, community service, financial aid sources, etc. They provide direct and indirect programs that keep parents informed and for homebound students, they help process referral and hire teachers and monitor paperwork and grades. I was at one of these great programs that the guidance staff put together at Liberty last night, college night, and I heard a horror story, there was a college admissions officer there to talk with us and the college admissions officer talked about how Liberty's

Attest,

Stacy M. Gober
Board Secretary